

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)
DELMARVA POWER & LIGHT COMPANY, D/B/A)
CONECTIV POWER DELIVERY, TO IMPLEMENT) PSC DOCKET NO. 04-53
AN ENVIRONMENTAL REMEDIATION SURCHARGE)
TO RECOVER COSTS ASSOCIATED WITH THE)
CLEAN-UP OF A MANUFACTURED GAS PLANT)
SITE (FILED FEBRUARY 13, 2004)

ORDER NO. 6372

AND NOW, to-wit, this 24th day of February, A.D., 2004, Delmarva Power & Light Company, d/b/a Conectiv Power Delivery ("Delmarva" or the "Company"), having, on February 13, 2004, made an application seeking approval of an environmental surcharge of \$522,988 pursuant to certain provisions in a settlement reached and approved by this Commission in PSC Docket No. 03-127;

AND WHEREAS, the Company proposes the surcharge to be effective on and after April 13, 2004, with an annual mechanism to reset the surcharge effective November 1st of each year, based on actual costs and forecasted sales data, which will be based on the preceding twelve months, except for year 1 where the cost will be based on 6-1/2 months but prorated over a twelve-month period;

AND WHEREAS, the Commission having determined, pursuant to 26 Del. C. §§ 303 and 304, that the proposed environmental surcharge and other requested modifications to its tariff should be permitted to become effective for use on and after April 13, 2004, with proration, subject to public comment and further review by the Commission; now, therefore;

IT IS ORDERED:

1. That, pursuant to 26 Del.C. §§ 303 and 304, the application made by Delmarva Power & Light Company, d/b/a Conectiv Power Delivery, on February 13, 2004, shall be allowed to become effective on April 13, 2004, subject to public comment and the final decision of the Commission.

2. That a public comment session be held in New Castle County in connection with Delmarva Power & Light Company's, d/b/a Conectiv Power Delivery, Application prior to the Commission's consideration of this matter. William F. O'Brien is designated as Hearing Examiner for this docket, pursuant to the terms and provisions of 26 Del. C. § 502 and 29 Del. C. ch. 101, for the limited purpose of conducting the hearing and summarizing any testimony presented at the public comment session. James McC. Geddes, Esquire, is designated Rate Counsel for this matter.

3. That Delmarva Power & Light Company, d/b/a Conectiv Power Delivery, is hereby put on notice that it will be charged the costs incurred in connection with this proceeding under the provisions of 26 Del. C. § 114(b)(1).

4. That Delmarva Power & Light Company, d/b/a Conectiv Power Delivery, shall give public notice of the filing of this Application and of the Commission action hereon by publishing notice in the form attached hereto as Exhibit "A" in the legal classified section of The News Journal newspaper in two column format outlined in black on the following dates:

Wednesday, March 10, 2004

Thursday, March 11, 2004

Proof of such publication to be provided to the Commission as soon as practicable but not later than the commencement of the evidentiary hearings concerning this matter.

5. That the Commission will hear from the parties and deliberate on this matter at its meeting scheduled for April 20, 2004.

6. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

/s/ Arnetta McRae
Chair

/s/ Joshua M. Twilley
Vice Chair

/s/ Joann T. Conaway
Commissioner

/s/ Donald J. Puglisi
Commissioner

/s/ Jaymes B. Lester
Commissioner

ATTEST:

/s/ Karen J. Nickerson
Secretary

E X H I B I T "A"

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P U B L I C N O T I C E

**TO: ALL NATURAL GAS CUSTOMERS OF DELMARVA
 POWER & LIGHT COMPANY, D/B/A CONECTIV
 POWER DELIVERY**

Pursuant to 26 Del. C. §§ 303 and 304, Delmarva Power & Light Company, d/b/a Conectiv Power Delivery, ("Delmarva" or the "Company") has filed an application with the Public Service Commission (the "Commission") seeking to recover certain costs associated with the environmental remediation of an old gas plant facility. The Company seeks to recover these costs, which currently total \$522,988, through an environmental remedial surcharge, which will be reconciled on an annual basis so that no more than the actual costs are recovered. The Application requests a change in the gas rates as follows:

<u>Rate Schedules</u>	<u>Proposed Environmental Surcharge Rider</u>
RG and GG	\$0.00044
MVG & LVG	\$0.00440
GVFT	\$0.00044
MVFT and LVFT	\$0.00440

For a typical residential gas customer using 120 ccf of gas in a winter month, the affects of the proposed environmental rate charge would be an increase in the monthly bill of five cents (\$0.05).

The Commission will consider the Company's application at its April 20, 2004 meeting and will hold one public comment session prior to that meeting.

The Hearing Examiner will conduct the public comment session at the following time and location:

TIME	DATE	EVENT	LOCATION
7:00 p.m.	March 23, 2004	Public Comment Session	3 rd Fl. Conference Room, Carvel State Office Building, Wilmington, DE

Any person or group wishing to participate formally as a party in this docket (PSC Docket No. 03-127), with the right to submit evidence and to be represented by counsel must, in accordance with Rule 11, petition the Commission for and be granted leave to intervene in the proceedings in this docket by the Hearing Examiner. To be timely filed with the Commission, all such petitions must be filed with the Delaware Public Service Commission at 861 Silver Lake Boulevard, Suite 100, Cannon Building, Dover, Delaware 19904 on or before March 31, 2004. Petitions received thereafter will not be considered except for good cause shown.

Copies of the Application, testimony, and attachments will be available for public inspection at the Commission's Dover office at the above address, or, by appointment, in the Division of the Public

Advocate located on the 4th Floor, Carvel State Office Building, 820 North French Street, Wilmington. Please call for an appointment at (302) 577-5077.

Individuals with disabilities who wish to participate in these proceedings or to review these filings may contact the Commission to discuss any auxiliary aids or services needed to facilitate such review or participation. Such contact may be in person, by writing, telephonically, by use of the Telecommunications Relay Service, or otherwise. The Commission Staff is available for questions concerning this Application and other documents. The Commission's toll-free telephone number within Delaware is 1-800-282-8574. The Commission can also be reached at (302) 739-4333 and that number should also be used for Text Telephone ("TT") calls. Inquiries can also be sent to the Commission by Internet e-mail to "karen.nickerson@state.de.us."